

Nomination for Posts at the Department of State May 6, 1993

The President named two experienced environmental leaders to Senior Executive Service positions at the State Department today. Rafe Pomerance will serve as Deputy Assistant Secretary for the Environment, Health, and Natural Resources, and Jessica Tuchman Mathews will serve as Deputy Under Secretary for Global Affairs.

"The global environment is one of the most serious issues facing our Nation," said the Presi-

dent. "These two nominees have a lifetime of experience and knowledge in working on this critical issue. I look forward to working with them to attack the pressing problems of global pollution."

NOTE: Biographies of the nominees were made available by the Office of the Press Secretary.

Remarks on Campaign Finance Reform and a Question-and-Answer Session May 7, 1993

The President. Thank you very much. Mr. Vice President, distinguished leaders of the Congress, ladies and gentlemen from Close Up. I'm delighted to have the Close Up students sitting with us today at the White House. A little more than 30 years ago, when I was about your age, I came here, and the experience changed my life forever in terms of my dedication to try to do more to help our country work. Thirty years from now I hope that all of you will look back on this day and believe that you were witness to an event that helped to change the course of America, for on this day we seek to reform our political process, to restore the faith of the American people in our democracy, and to ensure that once again the voice of the people as a whole is heard over the voice of special interests in Washington.

Today we're announcing the most comprehensive reform of the political system in the history of this country, a proposal that limits spending by candidates for the House and the Senate; a proposal which bans contributions to Members by lobbyists who lobby them; a proposal which curbs the power and influence of political action committees; a proposal that levels the playing field between challengers and incumbents and pays for it by taxing lobbyists and not the American people; a proposal that plugs loopholes in the financing of Presidential campaigns by eliminating so-called soft money contributions.

We take these extraordinary steps in the bill proposed today and commit ourselves to adopt-

ing it into law for one fundamental reason. Without fundamental change in the way we finance campaigns, everything else we seek to improve in the lives of our people, from creating jobs to providing a secure system of health care, to educating our people better and enabling us to compete in a global economy, everything will be harder to achieve. Economic reform, health care reform, and political reform must go hand-in-hand. The system has to work to produce good results.

Today, by one estimate, Washington, DC, has at least 80,000 people working directly or indirectly to lobby the National Government, a veritable influence industry. The more we seek to change things, the more we draw lobbyists to Washington to see if they can stop the change. To be sure, these lobbyists often represent points of view that genuinely deserve to be heard, and we in Government often benefit from their views. But there are times when these powerful interests turn debate into delay and exert more influence over decisions in Washington than the people we were elected to serve do.

We're fighting hard to reform our health care system. Soon we'll put forward a plan to ensure health security for every American and to control the exploding costs of health care. Already, some special interests have gone beyond consulting about what the best way to do this is, to

preparing to carve the plans to bits to make sure that the present system stays intact, which is good for the people they represent but bad for the public interest.

We're fighting to ensure that the tax burden falls more fairly on those who can afford to pay and less on the middle class, whose incomes went down and tax burdens went up over the last 12 years. And already, special interests are clogging the halls of power, whispering that they deserve to continue the advantages which have pertained for too long.

We're fighting to make it possible for every young person to go to college and to pay back your loans as a percentage of your income after you go to work so that you can never be bankrupted later by heavy student debts today. And already, banks and their allies are out in force, since they profit inordinately from the current system, seeking to frustrate our plans.

It's quite clear, Government will work for the middle class and for the average American only if Washington is free to work for the national interests and not narrow interests. And that won't happen unless we change the way we finance campaigns in this country. It's time to curb the role of special interests and to empower average citizens to have their voices heard once again.

Campaign finance reform is a tough issue to grapple with. It requires those of us who set the rules to change the rules that got us all here. That's not easy to do. Last year, Congress passed a good campaign finance reform bill only to see it vetoed in the past administration. As I promised, we would support campaign reform this year with a bill that is even tougher and better than the bill which passed the Congress and was vetoed last year. Particularly we have taken aim at the lobbyists who symbolize the reason that nothing ever seems to get done here in this city.

And that's why I'm pleased to stand here with these congressional leaders, some of whom have worked for years and years and years on this issue, and others, including the leadership of the House and Senate, who have made it possible to us to bring this bill forward in a way that has a real chance of passage. We're moving forward with this. This bill is for real. Even if special interests object, even if they try to filibuster or delay, eventually I believe we will pass campaign finance reform, and I will sign it, because the people will support it and demand it.

This plan will change the way Washington works, the way campaigns are financed, the way that politics is played. First, the plan will impose strict but voluntary campaign limits on spending in congressional campaigns as required by the United States Supreme Court. Spending has gone up too far and too fast. Last year alone spending on congressional campaigns shot up by 52 percent over the previous election. When campaign spending is out of control, candidates without access to big money simply cannot compete.

Second, this plan will rein in the special interests by restricting the role of lobbyists and PAC's or political action committees. For the very first time, our plan will ban contributions from lobbyists to lawmakers they contact and lobby. It will even bar them from raising money for those officials they lobby. If enacted, this proposal will plainly change the culture in Washington in a very fundamental way. This proposal curbs the role of political action committees. It caps the amount of money any candidate can receive from PAC's. It limits PAC contributions to \$1,000 to Presidential campaigns, to \$2,500 for Senate candidates. And while it leaves the present limit on the House candidates, it limits the percentage of any candidate's budget which can come from political action committees, a dramatic change in the present system.

Third, our political reform plan will open the airwaves and level the playing field between incumbents and challengers by providing communications vouchers to candidates who agree to the spending limits. This was an important part of my campaign last year. I think we have got to open the airwaves so that there can be honest debate and all the people who run, including challengers, have access to them. These vouchers can only be used to communicate with the voters through broadcast, print, or postage. Let me make clear, these vouchers, no matter what you will hear from the people who want to protect the present special interest system, these vouchers will not be paid for by middle class taxpayers. They will be funded by closing a major tax loophole that allows many businesses to deduct the cost of lobbying and the costs they pay for their lobbyists through repeal of the deductibility of lobbying expenses. Corporate lobbying, believe it or not, has only been deductible since 1962. It's time to close a 30-year-old loophole and instead use the money

to give the political process back to the American people. And there will be the voluntary tax checkoff, which will let citizens choose to have \$5 of their income tax go to make this system work. It is entirely voluntary, but I think a lot of Americans will like this system better than the one we have.

Our reform plan won't just affect congressional campaigns. During the Presidential campaign, I promised to propose legislation that would shut down the system of soft money that increases spending so dramatically in national campaigns. Today this legislation does exactly that. Make no mistake, this legislation will cost me and the Democratic Party, like the Republican Party, significant sums of money. But it is the right thing to do.

We envision a new Democratic Party and a new party system built on the energy of millions of average citizens who believe that politics is once again a thrilling collective endeavor, who want to give the small amounts of money they can afford to give to the political process and to the party of their choice because they will know that that money will count and will not be overwhelmed by special interests.

This proposal can change the status quo. And the special interests surely will mobilize against it. They don't want to see their ability to give campaign contributions curbed. The status quo suits many of them fine. The problem is that even when a lot of these people are making their voices heard in legitimate ways, the totality of their efforts has served to paralyze this process, to paralyze this city, and to keep meaningful change from occurring long after everybody acknowledges that it has to occur in fundamental areas of our national life, such as economic policy and health care.

I believe the winds of change are too strong. At the beginning of my term, I imposed the strictest ethics restriction ever on my top officials. They'll be prohibited from lobbying their Agencies for 5 years after they leave, and they can never lobby for a foreign government. We've already seen progress in the United States Congress. Earlier this week, the United States Senate passed a historic lobby disclosure bill, a bill which opens the activities of lobbyists to the sunshine of public scrutiny. If this bill passes the entire Congress now, every time a lobbyist spends more than a small amount of money to lobby a bill on any Member, it will all have to be reported. And this is the kind of thing that we ought to be doing.

I worked for this sort of reform for a decade in my own State. I know how hard it is. Finally I had to take my proposals to a vote of the people to pass them. In the Presidential campaign, from the snows of New Hampshire onward, I talked about these kinds of changes. Now we see, from the vote in the Senate yesterday and from the strong support we're receiving on the campaign finance reform bill today, the prospect of real political reform in Washington. I hope the House will act quickly on the measure that the Senate passed yesterday on lobby registration and disclosure.

I believe the season of political reform has finally arrived. Today we are here united in our commitment to enact these kinds of reforms. We need your help, your parents' help, the help of the people that you go to school with, the help of the people that you represent all across this country to overcome the resistance that inevitably accompanies this kind of change. But when we do overcome the forces of inertia, we can once again make our political system work—work more quickly, work more efficiently, work less expensively, and most importantly, work for the people who work hard and play by the rules.

Thank you very much.

[At this point, Senator George J. Mitchell, Speaker of the House of Representatives Thomas S. Foley, Senator David L. Boren, and Representative Sam Gejdenson made statements in support of campaign finance reform legislation, and the Vice President invited questions.]

The President. We'll take some from the students. But I'll take a couple from the press and a couple from the students.

Q. [Inaudible]

The President. As you know, I favor a smaller PAC limit, and I wanted—in our legislation we go to \$1,000 in Presidential campaigns, which is more broadly dispersed. I think there were two reasons. One is the House Members believe they have less access to raise funds on a State-wide basis, particularly those who come from very poor congressional districts, and obviously very limited ability to raise money beyond their States. So they were insistent on keeping the limit higher. But they did do something that I never proposed when I ran for President that I think provides an equally important limitation on the influence of PAC's, and that is to set a very strict limit on the percentage of total

campaign contributions which could come from PAC's, one which is, as Senator Boren has already noted, is lower than the average that Members of Congress received last time in running for reelection. So they have agreed to dramatically reduce the impact of PAC money on their campaign treasuries over and above what they have been getting. And I thought that was a reasonable agreement.

The Vice President. And the lobby contribution—

The President. And of course, they also, the leadership and the sponsors of the bill, have also agreed to a dramatic change—I want to emphasize this; this is new from the last bill—to say that lobbyists give money to or raise money for Members of Congress whom they have lobbied within the previous year. And if they do that, then they cannot lobby them for a year after this. That is a very significant change. Did you say I got the facts right?

Q. Mr. President, you have no Republicans here. I know you have been trying to get some bipartisan support. Do you think now this is fated to be filibustered and won't—

The President. Why don't I ask maybe one of the Senators to discuss that. Senator Boren and I have already talked about it. Senator Mitchell.

Senator Mitchell. We've reached out to Republican Senators. Senator Boren and Senator Ford have met individually with a large number of Republican Senators. And as you know, yesterday a group of five of them sent me a letter detailing concerns they have and principles they hold with respect to campaign finance reform. And we're going to continue our dialog with them. Having received the letter, it's my hope that we can shortly meet with them, talk with them, and work together to try to achieve a bipartisan bill.

Q. Well, is the issue of public financing negotiable?

Senator Mitchell. Well, we think that the bill the President has presented is the right way to go. Obviously, we're going to listen to, consider thoughtfully and seriously suggestions made by anyone, especially and including the Republican Senators who sent the letter and others. We hope very much that we can reach a bipartisan agreement. We passed this bill last year with Republican Senators' votes. We hope we can do so again this year.

The President. I'd like to make two points, if I may. First of all, the House Members re-

minded me in response to the previous question that this bill also does something that we don't do now. This limits the contributions from individuals that House Members can get above \$200 to one-third of the total, which is a pretty dramatic change.

Secondly, I think we ought to hone in on the question you just asked, Andrea [Andrea Mitchell, NBC News], in terms of the expressed reservations. And I had talks with Senator Boren and Senator Ford as well as Senator Mitchell before we came out here. The people who will oppose this bill and will say, well, this is public financing, and we're against public financing, and we have so many other needs, how can we spend tax dollars on it—I want to make two points. First of all, this bill will be financed entirely by repealing the lobbyist tax deduction and voluntary contributions from the American people. No taxpayer who's paying anything now will pay any more to finance this bill. No expenditure now going to the education and welfare or national defense of this country will be diverted to pay for this bill, not one red cent.

The second point I want to make is this: If you wish to limit the expenditures on congressional races, as we limit the expenditures in Presidential campaigns, it can constitutionally only be done if it is tied to the receipt of public financing, because the Supreme Court has ruled that a millionaire or a billionaire can spend as much money as they want and that anybody can spend as much money as they can raise on any campaign, unless there is some benefit tied to it. Correct? So there is no way, we will never limit spending in national races unless we can tie it to a broad-based stream of financing, accountable to all the people. That's why some Republicans voted for this bill 2 years ago. They understood this—or last year. And I hope they will again.

Yes, sir.

Q. You're stressing no public support here, but on the Presidential checkoff and presumably the congressional checkoff and also the loss of a deduction of lobbyists, wouldn't that revenue be useful for things such as jobs programs and other areas that you favor? How is it not public support? Could you go into that a little more deeply?

The President. Well, that's only if the individual taxpayers want it to be diverted to that. If they make a decision to do that in the context

of a very large budget, it would be a tiny amount that they can divert. But their lawmakers will not divert it; the taxpayers can do it. The taxpayers won't pay extra. They can say, well, we'll spend up to \$5 of our money on this. But that is their decision. That's not our decision. I like that. I wish we could give people more control over their lives, not less. So I think that's an advance.

Q. Mr. President, on a different subject, now with the Christopher mission over, can you tell us what you and the Europeans have accomplished? The impression is that despite all of his diplomatic skills, that nothing on the ground in Yugoslavia or Bosnia is going to change, at least for the foreseeable future.

The President. I'll be happy to answer that, but if I might, can I just answer—and I'll come back to you before I leave, but could we—if there are any other questions on this subject from the press, on the campaign finance reform. Yes.

Q. Mr. President, how do you intend to convince the public to spend tax dollars on Federal election campaigns? Because, back to Frank's [Frank Murray, Washington Times] question, they haven't been checking off that dollar. One of the reasons it has to be raised to \$5 is because the fund is running out of money.

The President. Why don't you answer this?

[At this point, Representative Gejdenson, Senator Mitchell, and Senator Boren each responded to the question on the voluntary taxpayer check-off, and the Vice President commented on public support for campaign finance reform.]

The President. One of the reasons that I think people will participate, by the way, is exemplified by the enormous way that lobby registration and disclosure bill carried through the Senate yesterday. I think that when it finally got on the floor it was 95 to 2. The only argument against this will be, well, there's public money involved. But people are smart enough to know that we're paying for it by repealing the lobbyist deduction. The public knows that they're not going to get the money in their back pocket, and they're not going to get the money spent on their favorite program. We're either going to repeal the lobbyist deduction and do this and open up this system, or we're not. And I think we ought to.

Let me also say that I think one reason more people will participate is, they can see some

tangible evidence of political reform which is worth their money. I remind you, we had a big outpouring of voters in the last election. I don't take full credit for it; they voted for all three candidates. But there was a big increase in voter participation, a huge increase in voter participation among young people. This White House has already received more letters in 1993 than came into the White House in the entire year of 1992. People are interested now. They're concerned. They want their country back. They want their Government back. And I think they will seize this opportunity if we give it to them.

Now, we had a couple of young people who had questions there on this. Go ahead.

Q. I was wondering, because incumbents don't have to spend as much money as their challengers, how are you going to make that equal for everyone?

The President. Well, the truth—you can't give the challengers more than the incumbents, but—I have two responses. One, as a practical matter, what often happens is the incumbents hugely outspend the challengers unless the challengers are very well-known or independently wealthy, 4 to 1 is the average. So this will even it up. That's a long way from 4 to 1.

The second thing is that all of us who have run in elections know that there is a core, a threshold amount of money you have to have to make sure your voice is heard. After that, if somebody's got a little more, it's not as important. But this will even up the spending, number one; and number two, it will bring everybody to that threshold where they can be known by the voters and their message can be heard.

Q. My question is this: Do you feel that PAC's like Emily's List that aren't funded by big business and big corporations should be exempt from your proposal?

The President. That's a hot issue up here. The answer is, I don't, from the bundling proposal. The question is whether Emily's List or any other list not tied to a specific interest group like labor or manufacturers or whatever but instead tied to a set of ideas should be able to go and gather up contributions from people all over America and then send them to the candidates of their choice who may or may not be known to the people who gave the money to Emily's List. I can only tell you this bill does not explicitly address that.

My own view is—and I really appreciate the

work that Emily's List has done—is that you can't just make an exemption for Emily's List. Anybody who says, we stand for certain ideas and certain values, whether you like them or not, could do the same thing. So I think there's a way that can be compromised. I think, you know, you might have Emily's List, for example, or any other similar PAC be able to send specific envelopes to their contributors and have the contributors send them directly. But my own personal view is that the law should be the same for everyone.

Q. My question is, with the bill that was passed through the Senate, and if it is passed through the House, would that hurt or will it help your bill if it is passed through legislation?

The President. It will help. Let me tell you what the difference is. The bill that the Senate passed yesterday requires much more extensive registration by people who lobby the Congress, so that the press will be able to find and tell you who is lobbying on what issues, who they are and where they live and what they do. It furthermore now requires the Senate and the House Members who receive any kind of benefit like a trip, a hunting trip or something like that, that is over a certain amount of money, that that has to be disclosed. I think it's over \$20, isn't it? Over \$20. There has to be a record made of that. That will almost certainly discourage a number of those things. And if they occur, then you'll know what kind of lobbying is really going on. A lot of money is spent on that every year. So getting that into the light of day is a big deal. If that were to pass the House, that would not—I think it would help to pass this, because that bill only deals with the activities of lobbyists. It doesn't deal with the activities of lobbyists and spending limits and political action committees in campaign financing. So I see these two things as going hand-in-hand.

When I ran for President, I said I wanted to have lobby reform and campaign finance reform and motor voter registration and a lot of those things which will all fit together to open the system to the people. So I think it will help. If the Senate bill passes the House, I think it will help campaign finance reform.

That's a very intelligent question, by the way.

The Vice President. They're recommending that you just take one more because of the group from the——

The President. They say I can—go ahead. I have a crowd waiting for me. I'm sorry. And then I've got to answer your question.

Q. If the bill doesn't pass, what aspects of it would you be willing to change, if any?

The President. Well, I don't want to say that, because if I do that, then the people who don't want it will try to go to the lowest common denominator. Senator Boren I think made the comment, or Senator Mitchell, one of them talked about the letter that was received from the five Republican Senators. So we will see what they have to say as we go along. But let's see, first of all, let's see if it can pass the House. Let's see how the Democrats feel about it and whether there are some Republicans who favor it. And if we can pass it, then we'll go forward.

I think the key thing, frankly, is whether you could say we shouldn't spend taxpayers' money on this when there are so many other needs. If that can really be presented, then the opponents will have won an enormous victory. They will just keep the system just the way it is. When the truth is that we're going to pay for it with voluntary contributions and repealing the lobbyist deduction that they've enjoyed for 31 years. I think if people see this as a way of controlling spending, limiting lobbyists, and limiting PAC's, then the support for it will be overwhelming. And that's why we've been so careful in the way it's been drawn up.

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Now, to your question. First, when Secretary Christopher gets back, I expect to see him. I also expect to see Senators Nunn and Lugar at a minimum from the representatives of—the three Republican and three Democratic Senators who have been in the area. Secretary Christopher and I will meet with the other members of our national security group, and we will see where we go from there.

But I've been keeping up with this trip as well as with events and been making some calls overseas myself. I expect we will be able to reach a consensus fairly shortly on which approach to take. And as soon as we do, we will announce it and go forward.

Thank you very much.

NOTE: The President spoke at 9:40 a.m. on the South Lawn at the White House. A part of the question-and-answer session could not be verified because the tape was incomplete.